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Arizona Corporation Commission

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APR 18 2017

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BEFORE THE ARIZONA CORPORATION COMMISSION

TOM FORESE, Chairman
BOB BURNS, Commissioner
DOUG LITTLE, Commissioner
ANDY TOBIN, Commissioner
BOYD DUNN, Commissioner

**IN THE MATTER OF THE
APPLICATION OF ARIZONA
PUBLIC SERVICE COMPANY FOR A
HEARING TO DETERMINE THE
FAIR VALUE OF THE UTILITY
PROPERTY OF THE COMPANY FOR
RATEMAKING PURPOSES, TO FIX A
JUST AND REASONABLE RATE OF
RETURN THEREON, TO APPROVE
RATE SCHEDULES DESIGNED TO
DEVELOP SUCH RETURN.**

DOCKET NO. E-01345A-16-0036

**IN THE MATTER OF FUEL AND
PURCHASED POWER
PROCUREMENT AUDITS FOR
ARIZONA PUBLIC SERVICE
COMPANY.**

DOCKET NO. E-01345A-16-0123

**SOLAR ENERGY INDUSTRIES
ASSOCIATION (SEIA) RESPONSES
TO COMMISSIONER BURNS' APRIL
11, 2017 QUESTIONS**

SEIA RESPONSES TO COMMISSIONER BURNS' APRIL 11, 2017 QUESTIONS

- 1 SEIA respectfully submits the following answers to several questions posed in
- 2 Commissioner Burns' April 11, 2017 letter to the docket. Although Commissioner Burns'
- 3 questions were specifically directed to APS, RUCO, Commission Staff and EFCA, SEIA
- 4 appreciates the opportunity Commission Burn's provided for all parties to respond to
- 5 questions they feel are applicable to them and to which the provision of answers may be
- 6 beneficial to the Commission.

1
2 SEIA is the national trade association of the United States solar industry.
3 Through advocacy and education, SEIA and its 1,000 member companies work to make
4 solar energy a mainstream and significant energy source by expanding markets, removing
5 market barriers, strengthening the industry, and educating the public on the benefits of
6 solar energy. SEIA's members have a strong interest in the adoption and implementation
7 of innovative, forward-looking policies and programs that will accelerate the
8 development of solar photovoltaic generation.
9

10 SEIA provides responses to four questions posed by Commissioner Burns to
11 EFCA. As requested by Commission Burns, SEIA provides citations to sections of its
12 pre-filed testimony to indicate if answers were previously provided.
13

14 **SETTLEMENT AGREEMENT SECTION XVII** 15

16 **In paragraph 17.8, would [SEIA] be opposed to having the on-peak periods being**
17 **4:00pm to 7:00pm; 3:30pm to 7:30pm; 3:00pm to 7:00pm; 4:00pm to 8:00pm? If**
18 **yes, please explain in detail [SEIA]'s opposition to each set of hours.**

- 19 • **If the Commission were to mandate one of the above set of hours, which one**
20 **would [SEIA] prefer ("none" is not an acceptable answer)?**
21 • **How did [SEIA] consider seasonal time-of-use rates in the Settlement**
22 **Agreement? Are they included in it? Please explain why or why not.**
23 • **Please rank the above set of hours from least desirable to most desirable to**
24 **[SEIA].**
25 • **In APS's existing time-of-use rate plans, what are the excluded holidays?**
26

27 Please see page 6, lines 6-13 of the Direct Testimony of Sara Birmingham in

1 Support of the Settlement Agreement, which states:

2
3 "Another area in which SEIA agreed to accept an outcome that differs from
4 SEIA's litigation position is with respect to the on-peak period in APS's TOU and
5 demand rates. Section 17.8 of the Settlement Agreement provides for a 3:00 pm
6 to 8:00 pm on-peak period for the TOU and demand rates that are available to DG
7 customers. The February 3, 2017 direct testimony of R. Thomas Beach proposes
8 peak periods for these tariffs of 2:00 pm to 7:00 pm. However, in the interest of
9 achieving settlement, SEIA has agreed to support a later on-peak period of 3:00
10 pm to 8:00 pm."

11
12 SEIA has not modeled the on-peak periods listed in the question to determine the
13 impact on solar customers, nor has SEIA completed an analysis to determine whether the
14 on-peak periods listed in the question are cost justified. As such, SEIA supports the
15 Settlement Agreement with respect to a 3:00 pm to 8:00 pm on-peak period for the TOU
16 and demand rates.

17
18 **SETTLEMENT AGREEMENT SECTION XVIII**

19
20 **Please explain in detail how Section XVIII will result in distributed generation**
21 **customers being treated differently than they would have been treated without this**
22 **section, thereby having these customers treated as contemplated per the outcome of**
23 **the Value of Solar docket.**

24
25 Distributed Generation (DG) customers will be treated differently than non-DG
26 customers in five important ways. First, DG customers will not have access to the flat
27 rate options that will be available for non-DG customers through May 1, 2018 (see S.

1 Birmingham testimony page 4, lines 13-19). Second, DG customers that take service
2 under the TOU-E rate that is available to non-DG customers will pay a Grid Access
3 Charge of \$0.93/kW-DC (see S. Birmingham testimony page 5, lines 4-15). Third, the
4 TOU-E rate has been designed to limit the value that DG customers will receive under
5 that rate to \$0.105/kWh (see S. Birmingham testimony page 5, lines 17-25). Fourth, DG
6 customers will no longer have access to net metering and instead will be paid an export
7 compensation rate (see S. Birmingham testimony page 7, lines 17-24).

8
9 **Paragraph 18.3 sets the export energy rate for year one. Paragraph 18.4 states that**
10 **this year-one export energy rate was a result of settlement negotiations.**

- 11 • **How and when will the export energy rate for years two, three, four and five**
12 **be set?**
- 13 • **Does [SEIA] have any estimates as to what the export energy rates will be for**
14 **years two, three, four and five?**

15
16 Please see page 7, lines 3-15 of the Direct Testimony of Sara Birmingham in
17 Support of the Settlement Agreement, which states:

18
19 "Attachment H to the Settlement Agreement contains the rate riders that will
20 implement the RCP as well as a plan of administration for updating the RCP value
21 on an annual basis. As set forth in the RCP Rate Rider in Appendix H, customers
22 that interconnect a solar system after the rate effective date of the Commission's
23 final decision in this proceeding will receive the RCP rate in effect at the time
24 they submit a completed interconnection application for their system, provided
25 that they subsequently complete their system interconnection and obtain approval
26 from authorities having jurisdiction within 180 days. The RCP Rate Rider
27 provides an extension of up to 270 days if a delay in completing the

1 interconnection and receiving approval is through no fault of the customer or the
2 customer's installer. Consistent with Decision Nos. 75859 and 75932, the
3 customer will receive the RCP rate that is then in effect for 10 years from the time
4 of their interconnection."
5

6 Attachment H elaborates on the annual process and data inputs that will be used to
7 adjust the RCP value. SEIA has not attempted to forecast what the export energy rates
8 will be for years two, three, four and five. However, SEIA takes great comfort
9 in consistent with Decision Nos. 75859 and 75932, the RCP rate will be updated
10 annually, but it will not be reduced from one year to the next by more than 10% (see S.
11 Birmingham testimony page 6, line 24 to page 7, line 1).
12

13 **SETTLEMENT AGREEMENT APPENDIX H**

14

15 **Is [SEIA] completely satisfied with all aspects of Appendix H? If no, please explain**
16 **in detail.**
17

18 SEIA supports Appendix H.
19

20 Respectfully submitted this 18th day of April 2017.
21

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All Parties of Record

GS